

*Single Business Tax Plan Testimony*

*From:*

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*Thank you Madame Chair and members of the joint Committee of the House and Senate Tax Committees. My name is Linda Jolicoeur and I own an equipment leasing company in Farmington Hills, Michigan. I like to refer to my business as a "Micro" business as opposed to a small business. I have only six employees and my sales are a little over a million dollars a year. That sounds like pretty good revenues for a "micro" business, however, as I lend money to other businesses for business equipment the profit margins are very small.*

*I am here because over the twenty years I have been in business I have made tax policy a high priority in my business activities. In the past I have chaired the tax policy committee for the Detroit Regional Chamber and currently chair the Tax Committee for the Small Business Association of Michigan. Some of you know I have been very active in trying to reform the way personal property taxes are collected and reported by leasing companies. In the past fifteen years we have made progress however I continue to think it is an unnecessary burden on the business community to have a third party collecting any kind of tax especially something as diverse and complicated as personal property tax. Though we no longer have to bill and collect the tax if we have less than 30 employees, we continue to have to report equipment and its location every January. During the months of December and January that is virtually all my staff does and not only does it effect sales in those months but this is property that is*

*already being reported by the individual companies. This requirement by the state is one that falls only on leasing companies, not banks, not finance companies and not credit unions. This begs the question so why make leasing companies do this?*

*My purpose today is not to discuss personal property tax on its own but in the context of the Governor's new restructuring of the Single Business Tax. When this onerous tax was created in the mid-70's small businesses were not at the table. I will compliment the Governor for inviting us to participate this time and for moving the process forward*

*I think that she has proposed some good ideas in reduction of the SBT rate and the credit for manufactures for personal property tax. I like the PPT credit for manufacturing but I continue to believe that all businesses need a credit to grow. I believe where small businesses part with the Governor is that all businesses are not treated fairly in the legislation and the bills are needlessly complicated.*

*Many times I have heard the phrase "Tax Policy creates winners & losers". Why? I have here a copy of the Illinois Business Tax Return. My friends it is two pages long and consists of a two part 7.3% income tax rate. No magic, no complicated measures, no need to have three CPA's try to figure out what you owe. Historically small business has disliked the SBT because it is too complicate, costly, and hits a business when it can least afford the tax. My own business has paid more SBT since 9/11 then I paid in the previous 16 years. There is something wrong with a system that hits you when you're down.*

*If we are to embark on this mission of tax reform and I hope we do, then lets start with the premise that the Single Business Tax cannot be reformed, repaired, or remodeled, it must be replaced with a simple, easy and fair tax that all businesses can understand. A simple income tax would be great, but I can't go along with triple weighting profits.*

*Many have said small business is the engine that moves the economy then why not a plan that encourages the creation of jobs and a "friendly" business environment, one that does not punish employers for providing health care.*

*We have an extraordinary opportunity to design a tax system that makes us the envy of this wonderful country. A system that takes into consideration our competing states and how Michigan Businesses can run profitable, growing businesses in business sectors that did not exist in the 70's; a system that encourage these small high-tech and research businesses, service businesses of all kinds.*

*I still believe that Michigan has the best and the brightest workers, I believe we have wonderful, committed individuals in government. This is the time for diplomacy, for reaching out and agreeing on the things we can agree on, that Michigan needs jobs, employers need tax relief, the state needs revenues to run essential services, let's keep the process moving and create a tax system that supports healthy businesses that can create those much needed jobs.*

*Thank you,*

*Linda Jolicoeur*



## Illinois Department of Revenue

## 2004 Form IL-1120

Corporation Income and  
Replacement Tax Return

or fiscal year beginning \_\_\_\_\_, 2004, ending \_\_\_\_\_, 20\_\_\_\_.

Due on or before the 15th day of the 3rd month following the close of the tax year.

Do not write above this line

Type Name \_\_\_\_\_

or C/O \_\_\_\_\_

print Mailing address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

ZIP \_\_\_\_\_

Check the box if your address has changed. ☐

Federal employer identification number (FEIN) \_\_\_\_\_

Illinois business tax (IBT) number \_\_\_\_\_

☐ This is an Illinois combined unitary return.  
Attach completed Schedule UB.☐ Foreign insurer (see instructions)Check the box if this is your: ☐ First return☐ Final return (complete the questions in Part IV)Are you a member of a group filing a federal consolidated return? ☐ yes ☐ no If "yes," write the FEIN of the federal parent \_\_\_\_\_

## Part I — Base income or loss

1 Write your federal taxable income before FNOID from the worksheet (See specific instructions for Part I.)  
(Attachments required, see General Information, "What attachments do I need?")

1 \_\_\_\_\_

2 Additions (See specific instructions for Part I.)

a State, municipal, and other interest income excluded in arriving at Line 1 above

2a \_\_\_\_\_

b Illinois income and replacement tax deducted in arriving at Line 1 above

2b \_\_\_\_\_

c Other additions (specify: \_\_\_\_\_)

2c \_\_\_\_\_

3 Add Lines 2a through 2c. This is the total of your additions.

3 \_\_\_\_\_

0.00

4 Add Lines 1 and 3. This is your total income.

4 \_\_\_\_\_

0.00

5 Subtractions (See specific instructions for Part I.)

a Interest income from U.S. Treasury and other exempt federal obligations

5a \_\_\_\_\_

b Enterprise Zone Dividend Subtraction from Schedule 1299-B.

5b \_\_\_\_\_

c High Impact Business Dividend Subtraction from Schedule 1299-B.

5c \_\_\_\_\_

d High Impact Business Interest Subtraction from Schedule 1299-B.

5d \_\_\_\_\_

e Contributions to certain job training projects (See specific instructions for Part I.)

5e \_\_\_\_\_

f Other subtractions (specify: \_\_\_\_\_)

5f \_\_\_\_\_

6 Add Lines 5a through 5f. This is the total of your subtractions.

6 \_\_\_\_\_

0.00

7 Subtract Line 6 from Line 4. This is your base income or loss.

7 \_\_\_\_\_

0.00

If your base income or loss is derived solely inside Illinois, write this amount on Part IV, Line 1.

If any portion of your base income or loss is derived outside Illinois, write this amount on Part III, Line 1.

## Part II — Total tax

1 Write the net replacement tax from Part IV, Line 7

1 \_\_\_\_\_

0.00

2 Write the net income tax from Part V, Line 5.

2 \_\_\_\_\_

0.00

3 Add Lines 1 and 2. This is your total net income and replacement tax.

3 \_\_\_\_\_

0.00

4 a Estimated income and replacement tax payments (Include any 2003 overpayment  
credited to 2004 income and replacement tax)

4a \_\_\_\_\_

b Income and replacement tax paid with Form IL-505-B (See instructions)

4b \_\_\_\_\_

5 Add Lines 4a and 4b. This is the total of your payments and credit.

5 \_\_\_\_\_

0.00

6 Overpayment. Subtract Line 3 from Line 5.

6 \_\_\_\_\_

0.00

a Write the amount of overpayment to be credited to 2005 estimated tax.

6a \_\_\_\_\_

7 Tax due. Subtract Line 5 from Line 3. This is your balance of tax due (see instructions). Pay in full if \$1 or more.

7 \_\_\_\_\_

0.00

If you attached a completed Form IL-2220, check this box. ☐

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct, and complete.

Do not write in this box.

Sign

Signature of authorized officer \_\_\_\_\_

Date \_\_\_\_\_

Phone \_\_\_\_\_

here

Signature of preparer \_\_\_\_\_

Date \_\_\_\_\_

Preparer's SSN, FEIN, or PTIN \_\_\_\_\_

Check if self-  
employed ☐

Preparer firm's name (or yours, if self-employed) \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

➤ Mail this return to: Illinois Department of Revenue, P.O. Box 19008, Springfield, IL 62794-9008

NS TS FI NB ND JI DE BD MC TF IZ JN BE LN UB UD UL UM ME XX PB \_\_\_\_\_ PZ \_\_\_\_\_ AL \_\_\_\_\_ DR \_\_\_\_\_ ID \_\_\_\_\_

IL-1120 (R-12/04)

STF IL33311F.1

Attach remittance payable to "Illinois Department of Revenue" here.

**Part III — Base income or loss allocable to Illinois**

Complete Part III only if any portion of your base income or loss is derived outside Illinois.

1 Write your base income or loss from Part I, Line 7

**Note** → If you are making the **business income election**, check this box and write zero on Part III, Line 2a and Line 7. (See instructions.) → ☐

1 \_\_\_\_\_

2 a Nonbusiness income or loss included in Part III, Line 1. (Attach Schedule NB.) ☐ 2a \_\_\_\_\_

b Business income or loss from non-unitary partnerships, trusts, and estates included in Part III, Line 1. (See instructions.) 2b \_\_\_\_\_

3 Add Lines 2a and 2b. This is the total of your subtractions. 3 \_\_\_\_\_

4 Subtract Line 3 from Line 1. This is your business income or loss. 4 \_\_\_\_\_

5 Business income apportionment formula. (Insurance companies (I), financial organizations (F), and transportation companies (T) check the appropriate box and see Special Apportionment Formulas instr.) ☐ I ☐ F ☐ T

a Total sales everywhere (cannot be negative) 5a \_\_\_\_\_

b Total sales within Illinois (cannot be negative) 5b \_\_\_\_\_

c Divide Line 5b by Line 5a. (Carry to six decimal places.)

This is your apportionment factor.

5c \_\_\_\_\_

6 Multiply Line 4 by Line 5c. This is your business income or loss apportionable to Illinois. 6 \_\_\_\_\_

7 Nonbusiness income or loss allocable to Illinois. (Attach Sch. NB.) If you checked the box on Line 2a, write zero here. 7 \_\_\_\_\_

8 Business income or loss apportionable to Illinois from non-unitary partnerships, trusts, and estates. (See instr.) 8 \_\_\_\_\_

9 Add Lines 6 through 8. This is your base income or net loss allocable to Illinois. Write here and on Part IV, Line 1. 9 \_\_\_\_\_

**Part IV — Net income and replacement tax**

1 Write your base income or loss from Part III, Line 9, if applicable, otherwise from Part I, Line 7. 1 \_\_\_\_\_ 0.00

2 Illinois net loss deduction (NLD). (Attach Schedule NLD.) Write "0" if Line 1 is zero or negative. 2 \_\_\_\_\_

3 Subtract Line 2 from Line 1 (cannot be less than zero). This is your net income after NLD. Write the total amount here and on Part V, Line 1. 3 \_\_\_\_\_ 0.00

4 a Multiply Line 3 by 2.5% (.025). This is your replacement tax. 4a \_\_\_\_\_ 0.00

b Recapture of investment credits from Schedule 4255. (See instructions.) 4b \_\_\_\_\_

5 Add Lines 4a and 4b. This is your total replacement tax before investment credits. 5 \_\_\_\_\_ 0.00

6 Investment credits from Form IL-477. (Attach Form IL-477. See instructions.) 6 \_\_\_\_\_

7 Subtract Line 6 from Line 5 (cannot be less than zero.) This is your net replacement tax. Write here and on Part II, Line 1. 7 \_\_\_\_\_ 0.00

**Part V — Income tax**

1 Write the net income from Part IV, Line 3. 1 \_\_\_\_\_ 0.00

2 a Multiply Line 1 by 4.8% (.048). This is your income tax. 2a \_\_\_\_\_ 0.00

b Recapture of investment credits from Schedule 4255. (See instructions.) 2b \_\_\_\_\_

3 Add Lines 2a and 2b. This is your total income tax before credits. 3 \_\_\_\_\_ 0.00

4 Write your total income tax credits from Schedule 1299-D. (Attach Schedule 1299-D.) 4 \_\_\_\_\_

a **High Impact Businesses only:** Write the amount of your Jobs Tax Credit from Schedule 1299-D. 4a \_\_\_\_\_

b Write the amount of your High Impact Business Investment Credit from Schedule 1299-D. 4b \_\_\_\_\_

c Write the amount of your EDGE Tax Credit from Schedule 1299-D. 4c \_\_\_\_\_

5 Subtract Line 4 from Line 3 (cannot be less than zero). This is your net income tax. Write here and on Part II, Line 2. 5 \_\_\_\_\_ 0.00

**Part VI — This information must be completed by all taxpayers.**1 Check the method of accounting used in preparing this return.  
☐ Cash ☐ Accrual ☐ Other (Specify: \_\_\_\_\_)

2 Write the state where your corporation's trade or business is principally directed or managed. State: \_\_\_\_\_

3 Write the city and state where your corporation's accounting records are kept. City: \_\_\_\_\_ State: \_\_\_\_\_

4 Write the Illinois address of your principal place of business. Address: \_\_\_\_\_

City: \_\_\_\_\_ State: IL ZIP: \_\_\_\_\_

5 Write the date of incorporation and state:

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ State: \_\_\_\_\_

Write your principal business activity: \_\_\_\_\_

6 If this is your **final return**, complete the date the business was  
☐ discontinued \_\_\_\_/\_\_\_\_/\_\_\_\_ or  
☐ sold \_\_\_\_/\_\_\_\_/\_\_\_\_

Write the new owner's name: \_\_\_\_\_

7 Write the date and amount of all 2004 Illinois estimated income and replacement tax payments made.

1st \_\_\_\_/\_\_\_\_/\_\_\_\_ \$ \_\_\_\_\_

2nd \_\_\_\_/\_\_\_\_/\_\_\_\_ \$ \_\_\_\_\_

3rd \_\_\_\_/\_\_\_\_/\_\_\_\_ \$ \_\_\_\_\_

4th \_\_\_\_/\_\_\_\_/\_\_\_\_ \$ \_\_\_\_\_

Credit from 2003 \$ \_\_\_\_\_

Total \$ \_\_\_\_\_ 0.00

This form is authorized as outlined by the Illinois Income Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in a penalty. This form has been approved by the Forms Management Center. IL-492 0089